

FISCAL NOTE

Nonpartisan Services for Colorado's Legislature

Drafting Number: LLS 19-1114 Date: April 25, 2019 **Prime Sponsors:** Sen. Zenzinger; Cooke Bill Status: Senate Finance

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ENTRY INTO FPPA FOR SOCIAL SECURITY EMPLOYERS **Bill Topic:**

Summary of Fiscal Impact: □ State Revenue □ State Expenditure

□ State Transfer

□ TABOR Refund

☑ Local Government (minimal) Statutory Public Entity (minimal)

This bill authorizes a law enforcement or fire protection employer that is eligible to participate in the Social Security Supplemental Plan of the Social Security Act to elect to participate in one or more defined benefit plans administered by the Fire and Police Pension Association. To the extent that a law enforcement or fire protection employer elects to participate in a FPPA, defined benefit plan, revenue, costs, and workload for that employer and the FPPA will be impacted on an ongoing basis.

Appropriation Summary:

No appropriation is required.

Fiscal Note Status:

This fiscal note reflects the introduced bill.

Summary of Legislation

This bill authorizes a law enforcement or fire protection employer that is eligible to participate in the Social Security Supplemental Plan of the Social Security Act to elect to participate in one or more defined benefit plans administered by the Fire and Police Pension Association (FPPA). The FPPA Board may determine a contribution rate for all active members to ensure the actuarial soundness of the plan while allowing the law enforcement or fire protection employer to receive full benefits and unreduced contribution rates. Requirements for applying for an FPPA plan are specified in the bill.

Local Government and Statutory Public Entity Impacts

Beginning in FY 2019-20, to the extent that a law enforcement or fire protection employer elects to participate in a FPPA defined benefit plan, revenue, costs, and workload for that employer and the FPPA will be impacted. Because these entities regularly adjust their rates to ensure the soundness of their plans, these impacts are assumed to be minimal.

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Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties FPPA Municipalities Special Districts